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**MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION**  
June 26, 2018 - 8:00 a.m.

**Those in Attendance**

**Power Commission**

John Cushing, Chairman  
Susan Becker  
Dan Bell  
David Irvine  
John Marc Knight, Council Representative  
Jed Pitcher

**Power Department**

Allen Johnson, Director  
Jay Christensen  
Alan Farnes  
Dave Farnes  
Jess Pearce  
Luke Veigel

**Excused**

Paul Summers, Commissioner

**Recording Secretary**

Nancy Lawrence

**WELCOME**

Chairman Cushing called the meeting to order at 8:00 a.m. and welcomed those in attendance. Alan Farnes offered the invocation.

**MINUTES – May 22, 2018**

Minutes of the regular meeting of the Bountiful City Power Commission held May 22, 2018 were presented and unanimously approved on a motion made by Commissioner Pitcher and seconded by Commissioner Becker. Commissioners Cushing, Becker, Bell, Irvine, and Pitcher and Councilman Knight voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 11- MONTH PERIOD ENDING MAY 31, 2018**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 11-month Period Ended 31 May, 2018. He reported that the year-to-date figures are final through April 2018; May 2018 is preliminary because it is missing data for interest income on investments, interest income on rate stabilization, bank and investment account fee expense, credit card merchant fee expense, and transfer to rate stabilization fund expense. These figures are not expected to materially affect the YTD net margin.

Total revenues YTD were \$28,676,745, above its historically allocated budget (HAB) by \$185,277. Major items above or (below) their HABs were: Electric Metered Sales was \$(390,239) below its HAB due to mild winter weather; Air Products income was \$231,734 or 11.5% above its HAB; preliminary interest income on investments was above its HAB by \$155,829; and gain on sale of fixed assets was above its HAB by \$42,419.

Total Operating Expenses YTD were \$22,576,647, below its HAB by \$2,267,416. Major items (above) or below their HABs included: power costs were \$1,004,613 below its HAB due to careful purchasing/scheduling of power resources and mild winter weather; transmission was \$363,560 below its HAB because work has been postponed on budgeted projects; distribution was \$190,654 below its HAB due to budgeted work yet to be done; substation was temporarily above its HAB by \$(27,749) with the budgeted purchase of four 46KV breakers for the Southeast and Central substation; and the preliminary transfer to the rate stabilization bond fund was

1 \$(34,349) above its HAB with higher than budgeted interest earnings.

2  
3 Total Capital Expenditures YTD were \$3,644,980, with major items including the  
4 \$519,065 unbudgeted (but approved) purchase of the Fisher property; the \$598,569 transmission  
5 system Phase 7 project; and the \$2,247,627 work in progress on the 138 KV substation upgrade.  
6

7 The net margin year-to-date was \$2,455,118, above its HAB by \$2,223,580. This was  
8 due largely to lower power costs, higher Air Products income, lower labor and benefits expense,  
9 and lower distribution expense. The preliminary net margin for the month was \$42,128.

10  
11 Mr. Christensen reviewed changes in the Balance Sheet and Cash Flow statements for the  
12 YTD period, noting that cash will be going down as more budgeted capital projects are  
13 completed.  
14

15 Commissioner Bell asked for additional information regarding the FY 2018 Budget  
16 Amendment which had been approved by the City Council. Mr. Christensen reviewed that  
17 Operating and Capital expenditures cannot exceed budget, and the purchase of the Fisher  
18 property (originally not included in the budget) brought expenditures close to the budgeted  
19 amount for 2018. In an "abundance of caution", the budget was amended to facilitate approval  
20 of the land purchase, by increasing the budgets for both land and retained earnings by \$519,065  
21 each.  
22

23 Commissioner Pitcher made a motion to approve the Year to Date Budget Report for the  
24 11-month Period Ending May 31, 2018. Commissioner Bell seconded the motion which carried  
25 unanimously. Commissioners Cushing, Becker, Bell, Irvine, and Pitcher and Councilman Knight  
26 voted "aye".  
27

28 **138 KV PROJECT UPDATE**

29 Alan Farnes narrated a slide presentation which depicted the work which is in progress at  
30 the 138 KV substation. He identified the 62 MW and 75 MW transformers which were  
31 scheduled for replacement and the new 100 MVA transformer which was energized on June 8<sup>th</sup>  
32 and loaded on June 14<sup>th</sup>. The original plan was to delay further work at the 138 substation until  
33 after we get past the summer load. However, the 62 MW transformer failed yesterday, creating  
34 an outage that lasted about 10 minutes. Therefore, the 75 MW transformer will be put back in  
35 service (which will take about two weeks) to provide backup. Installation of the second new 100  
36 MW transformer will start in September and hopefully be completed before the end of the year.  
37

38 The Commissioners expressed concern that operation and maintenance needs of the  
39 department have been compromised by a lack of funding and a hesitation to increase rates. It  
40 was the consensus of the group that a strong public relations campaign should be initiated to  
41 make customers aware of the ongoing maintenance required in order to maintain the integrity  
42 and reliability of the system. Commissioner Irvine made a motion that we put a two-page status  
43 report in the next billing cycle explaining what maintenance has been done and why; major  
44 improvements that need to be done; and to inform customers of the causes of outages (i.e.,  
45 animals, trees, underground problems, etc.). Councilman Knight recommended that this same  
46 letter be posted on the City web site. Commissioner Pitcher seconded the motion and voting was

1 unanimous. Commissioners Cushing, Becker, Bell, Irvine, and Pitcher and Councilman Knight  
2 voted “aye”.

3  
4 A brief discussion followed regarding other capital projects that are planned and how the  
5 staff assesses the critical issue “weak link” points.

6  
7 **TRANSFORMER BID APPROVAL**

8 Mr. Pearce reported that the inventory of overhead and pad mount transformers is  
9 running low and we need to purchase more to replenish inventory. Bids were sent to two  
10 distributors and it is the recommendation of staff that the bid for 65 transformers (various sizes)  
11 from Anixter Power Solutions (for Ermco transformers) be approved in the amount of  
12 \$136,784.00. An 8-week delivery was promised. Commissioner Pitcher made a motion to  
13 recommend to the City Council that the bid from Anixter Power Solutions be approved as  
14 presented. Commissioner Bell seconded the motion and voting was unanimous. Commissioners  
15 Cushing, Becker, Bell, Irvine, and Pitcher and Councilman Knight voted “aye”.

16  
17 **1100 URD CABLE BID APPROVAL**

18 Mr. Pearce explained that the inventory of 1100 URD Primary cable is running low and  
19 needs to be replenished. The cable will be used on several feeder upgrade projects on the  
20 system. The cable which has been used is a 600 amp jacketed cable with one-third neutral with a  
21 40-year warranty. It is manufactured by Okonite and is a single source item. It is the staff’s  
22 recommendation that the quote from Codale Electric for 5,200 feet of 1100 URD Okonite cable  
23 in the amount of \$41,184 be approved. Commissioner Pitcher motioned to recommend approval  
24 of this purchase to the City Council, as presented. Commissioner Becker seconded the motion  
25 which carried unanimously. Commissioners Cushing, Becker, Bell, Irvine, and Pitcher and  
26 Councilman Knight voted “aye”.

27  
28 **OVERHEAD TO UNDERGROUND DISTRIBUTION REBUILD APPROVAL**

29 Mr. Veigel reviewed that the Colonial Square shopping area is in the process of re-  
30 asphaltting their parking lot and has removed the asphalt in the right-of-way on the west end of  
31 their property. BCL&P has five poles in that area all of which have underground dips feeding  
32 pad mount transformers and junction boxes. With the road being torn up for construction, it is  
33 timely to take this opportunity to underground the power system and tie the transformers and  
34 junction boxes together, thus removing the overhead distribution lines and five poles.

35  
36 M.C. Green is the contractor currently working on the parking lot and has been asked to  
37 give us a quote to dig a trench, backfill, and restore that area. The quote from M.C. Green is  
38 \$21,130 and staff recommends approval. Following a brief discussion, Commissioner Becker  
39 motioned to recommend to the City Council that this sole source bid be approved, as  
40 recommended by staff. Commissioner Pitcher seconded the motion which carried unanimously.  
41 Commissioners Cushing, Becker, Bell, Irvine, and Pitcher and Councilman Knight voted “aye”.

42  
43 Commissioner Pitcher asked what the cap was for expenditures that could be approved by  
44 Mr. Johnson, without City Council approval. Mr. Johnson said he can approve anything under  
45 \$20,000. Discussion followed which reflected that this is quite a low amount and requires extra  
46 time and effort from the staff that could be better spent on other things. Commissioner Bell

1 made a motion that a recommendation be made to the City Manager and City Council that Mr.  
2 Johnson have discretionary spending power up to \$50,000. Commissioner Pitcher seconded the  
3 motion and voting was unanimous. Commissioners Cushing, Becker, Bell, Irvine, and Pitcher  
4 and Councilman Knight voted "aye".  
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7 **SOLAR INSTALLATIONS UPDATE**

8 Mr. Johnson reported that a "fair amount of time" is being spent on solar customers/  
9 companies who are pushing for battery installations. And though the battery can supply power to  
10 the individual customer during an emergency, it needs to have the ability to be isolated from our  
11 system, and cannot back-feed, as a safety feature for BCL&P employees. Councilman Knight  
12 asked if there was a precedent with other commercial companies to approve the battery without a  
13 separator. Mr. Johnson said he is not aware of any and that he will stay firm in his position to  
14 protect the safety of our employees.  
15

16 **POWER SYSTEMS OPERATIONS REPORTS**

17 The following items were included in the packet, but not discussed in the meeting:  
18

- 19 a. **April 2018 Resource Reports**
- 20
- 21 b. **May 2018 Lost Time Related Injuries/Safety Report**
- 22
- 23 c. **May 2018 Public Relations Report**
- 24
- 25 d. **May 2018 Outage Reports**
- 26

27 **OTHER BUSINESS**

28 Mr. Johnson reported that UAMPS is attempting to find new members to participate in  
29 the NuScale CFPP and is sponsoring another tour at Corvallis. The tour will be July 12-13,  
30 2018. He asked that if any of the Commissioners/Council were interested in participating in this  
31 tour to let him know.  
32

33 There will be a UAMPS member conference in Logan on August 12 – 14 and he  
34 referenced a copy of the Agenda. Anyone who is interested in attending should let Mr. Johnson  
35 know as soon as possible because housing could be limited. Councilman Knight, and  
36 Commissioners Beck, Bell and Cushing said they would like to go.  
37

38 Chairman Cushing stated how much he appreciates the Board and the time and expertise  
39 they give to this responsibility. He also acknowledged the staff and noted how proud he is of  
40 them. Councilman Knight added that the City Council relies and leans on the Commission and  
41 has great faith and confidence in this body.  
42

43 **NEXT POWER COMMISSION**

44 The next meeting of the Power Commission will be on August 28, 2018 at 8:00 a.m.  
45

46 **ADJOURN**

1 The meeting adjourned at 9:15 a.m. on a motion made by Commissioner Bell and  
2 seconded by Commissioner Pitcher. Voting was unanimous with Commissioners Beck, Bell,  
3 Cushing, Irvine and Pitcher, and Councilman Knight voting "aye".  
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7 John Cushing, CHAIRMAN  
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